



14 November 2014

Mr Terry Battalis
Branch President
Pharmacy Guild of Australia, Northern Territory Branch
GPO Box 1554
Darwin NT 0801

via e-mail: office@ntguild.org.au

Dear Mr Battalis

**Pharmacy Guild of Australia, Northern Territory Branch
Financial Report for the year ended 30 June 2014 - FR2014/116**

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Pharmacy Guild of Australia, Northern Territory Branch. The updated financial report was lodged with the Fair Work Commission (FWC) on 13 November 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

Designated Officer's Certificate

s268 *Fair Work (Registered Organisations) Act 2009*

I, Sotirios (Terry) Battalis, being the President of The Pharmacy Guild of Australia – Northern Territory Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 20 October 2014; and
- that the full report was presented to a general meeting of members of the reporting unit on 13 November 2014 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



Sotirios (Terry) Battalis
President

Dated: 13 November 2014 _____

**PHARMACY GUILD OF AUSTRALIA
(NORTHERN TERRITORY BRANCH)**

GENERAL PURPOSE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2014**

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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**THE PHARMACY GUILD OF AUSTRALIA
(Northern Territory Branch)**

Committee of Management Statement

On Monday 18 August 2014, the Committee of Management of The Pharmacy Guild of Australia (Northern Territory Branch) (the "reporting unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2014.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of this branch; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or a General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 272 of the RO Act, there has been compliance.

For Committee of Management: TERRY (SOTIRIOS) BATTALIS

Title of Office held: BRANCH PRESIDENT

Signature:
DARWIN

Date: 18th August 2014

Northern Territory Branch

INDEPENDENT AUDITOR'S REPORT

To the members of The Pharmacy Guild of Australia (Northern Territory Branch).

Report on the Financial Statements

We have audited the accompanying financial statements of The Pharmacy Guild of Australia (Northern Territory Branch) ("the Branch"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the statement of management committee.

Management Committee's Responsibility for the Financial Report

The Management Committee of the Branch is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, (including the Australian Accounting Interpretations) and *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Management Committee determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion


In our opinion, the financial report presents fairly, in all material respects, the financial position of The Pharmacy Guild of Australia (Northern Territory Branch) as of 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements of the Fair Work (Registered Organisations) Act.

Other Matters

In our opinion, we conclude that the management's use of going concern basis of accounting in preparation of the Organisation's financial statements is appropriate as current assets exceeds current liabilities by \$160,419 and year-end cash balance of \$183,688 is more than enough to cover its total liabilities of \$146,600.



BDO Audit (NT)



C J Sciacca
Chartered Accountant
Audit Partner
Registered Company Auditor

Darwin: 25 August 2014

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenues	2	528,670	551,702
Expenses			
Accounting fees	3	2,500	2,702
Advertising expense		2,019	-
Audit fees	3	4,900	4,700
Bad debts	5	1,008	7,816
Cleaning and maintenance		1,459	1,657
Computer services		2,227	3,602
Depreciation	7	4,010	4,785
Electricity expense		4,983	4,223
Employee expense - key management	14c,15	127,786	156,450
Employee expense - other staff	15	236,673	212,940
Insurance		4,106	3,966
Legal fees		-	4,666
Meeting expense		3,387	4,383
National Secretariat Share membership		36,406	36,068
Printing, postage and stationery		4,706	7,846
Rent		64,683	49,862
Subscriptions		1,725	842
Sundry expense		5,702	5,530
Telephone		7,777	15,710
Travel		12,613	23,954
Total Expenses		<u>528,670</u>	<u>551,702</u>
Surplus / (Deficit) For The Year		-	-
Other comprehensive income		-	-
Total Comprehensive Income		<u><u>-</u></u>	<u><u>-</u></u>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	183,688	47,379
Trade and Other Receivables	5	110,073	150,015
Other Assets	6	8,511	8,999
Total Current Assets		<u>302,272</u>	<u>206,393</u>
Non-Current Assets			
Property, Plant and Equipment	7	18,765	22,522
Total Non-Current Assets		<u>18,765</u>	<u>22,522</u>
Total Assets		<u>321,037</u>	<u>228,915</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8	14,522	20,459
Subscriptions in Advance	9	47,716	2,855
Unearned Funding	10	52,480	-
Provision for Employee Entitlements	11	27,135	31,164
Total Current Liabilities		<u>141,853</u>	<u>54,478</u>
Non-Current Liabilities			
Provision for Employee Entitlements	11	4,747	-
Total Non-Current Liabilities		<u>4,747</u>	<u>-</u>
Total Liabilities		<u>146,600</u>	<u>54,478</u>
NET ASSETS		<u>174,437</u>	<u>174,437</u>
EQUITY			
Accumulated Funds	12	174,437	174,437
Total Equity		<u>174,437</u>	<u>174,437</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Accumulated Funds \$	Total \$
Accumulated Funds		
Balance at 1 July 2012	174,437	174,437
Surplus/(Deficit) for the year	-	-
Other comprehensive income /(loss) for the year	-	-
Balance at 30 June 2013	<u>174,437</u>	<u>174,437</u>
Surplus/(Deficit) for the year	-	-
Other comprehensive income /(loss) for the year	-	-
Balance at 30 June 2014	<u><u>174,437</u></u>	<u><u>174,437</u></u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2013	2012
		\$	\$
Cash flow from operating activities			
Cash receipts in the course of operations		214,338	143,134
Program fees from Pharmacy Guild of Australia		146,093	138,372
Cash payments in the course of operations		(432,538)	(561,211)
Funding from National Office		208,669	287,169
Net cash provided by operating activities	13(b)	<u>136,562</u>	<u>7,464</u>
Cash flow from investing activity			
Payment for property, plant and equipment		(253)	(21,658)
Net cash used from investing activity		<u>(253)</u>	<u>(21,658)</u>
Net increase in cash held		136,309	(14,194)
Cash at the beginning of the financial year		47,379	61,573
Cash at the end of the financial year	13(a)	<u>183,688</u>	<u>47,379</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. SUMMARY OF ACCOUNTING POLICIES

Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, *Fair Work (Registered Organisations) Act 2009* and associated regulations, as appropriate for not-for-profit oriented entities.

The financial statements comprise the Pharmacy Guild of Australia (Northern Territory Branch) financial statements as an individual entity. For the purposes of preparing the financial statements, the Branch is a not-for-profit entity.

Basis of Preparation

The financial statements have also been prepared on a historical basis and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The concept of accrual accounting has been adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the association takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Australian dollars, which is Pharmacy Guild of Australia - Northern Territory Branch's functional and presentation currency. All amounts have been rounded off to the nearest dollar.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other event is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Going Concern Basis

The financial statements are prepared on a going concern basis.

(b) Payables

Trade payables and other accounts payables are recognised when the Northern Territory Branch becomes obliged to make future payments resulting from the purchase of goods and services.

(c) Goods and Services Tax

Revenues, expenses are recognised net of Goods and Service Tax (GST) except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(d) Income Tax

The Branch is exempt from Income Tax under section 50-5 of the Income Tax Assessment Act 1997.

(e) Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectable amounts and have repayment terms between 30 and 90 days. Collectibility of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Branch will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 60 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

(f) Property and Equipment

All property and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Depreciation on other assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office equipment	3-8 years
Furniture and fittings	3-8 years

(g) Employee Benefit Provisions

Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of reporting date are recognised in respect of employees' services rendered up to reporting date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for wages and salaries are included as part of Other Payables and liabilities and for annual leave are included as part of Provisions for Employee Entitlements.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future cash payments to be made in respect of the services provided by employees up to the reporting date using the projected credit unit method. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

(h) Revenue Recognition

(i) Grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Branch will comply with all the attached conditions. Grants relating to costs are deferred and recognised in statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

(ii) Commission

Commission revenue is recognised in the period to which it relates.

(iii) Subscriptions

Revenue from subscriptions is recognised in the period to which it relates.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

(i) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights and obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Financial Assets

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities, including loans and borrowings, are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At the end of each reporting period the Branch assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(j) Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Branch's accounting policies.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at financial reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Estimation of useful lives of property and equipment

The Branch determines the estimated useful lives and related depreciation charges for its property and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Net book value of property and equipment amounted to \$18,765 as at 30 June 2014 (\$22,522 in 2013).

Impairment of property and equipment

The Branch assesses impairment of non-current assets at each reporting date by evaluating conditions specific to the Branch and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions. No impairment loss recognised as at 30 June 2014 (nil in 2013).

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates, pay increases through promotion and inflation have been taken into account. Long service leave provision recognised amounted to \$11,255 as at 30 June 2014 (\$18,169 in 2013).

(k) Adoption of New and Revised Accounting Standards

The Branch has adopted all of the new, revised accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or revised accounting standards or interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Branch from the adoption of these accounting standards and interpretations are disclosed in the relevant accounting policy. The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the Branch.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The following accounting standard and interpretation is most relevant to the Branch:

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The Branch has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The Branch has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The Branch has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The Branch has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

(I) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Branch for the annual reporting period ended 30 June 2014. The Branch's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Branch, are set out below.

(i) AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive name unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The Branch will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the Branch.

(ii) AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the Branch.

(iii) AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the Branch.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(iv) AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the Branch.

(v) Annual Improvements to IFRSs 2010-2012 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the Branch.

(iv) Annual Improvements to IFRSs 2011-2013 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the Branch.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

(m) Required Disclosures Under Section 253 Reporting Guidelines But Not Applicable

The Branch did not have activities during the year for the following required disclosures under Section 253 of Fair Work (Registered Organisations) Act of 2009:

- i. Business combinations;
- ii. Fees incurred as consideration for or payables to employers making payroll deductions of membership subscriptions;
- iii. Fees and allowances paid to persons to attend to conferences or other meeting as a representative of the Branch;
- iv. Legal costs or other litigation expenses incurred or payables in respect of legal costs and other expenses related to litigation or other legal matters;
- v. Penalties imposed under the RO Act;
- vi. Donations received or made to other parties; and
- vii. Going concern financial support provided to another reporting unit.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014	2013
		\$	\$
2. Revenue			
Grant - Pharmacy Guild of Australia		146,093	138,372
Membership		65,310	70,799
Commission		5,549	15,339
Branch Support Subsidy	14b	208,669	287,169
Training		78,078	15,155
Capitation fees		-	-
Levies		-	-
Miscellaneous Income		24,971	24,868
Total Revenue		<u>528,670</u>	<u>551,702</u>
3. Auditors' Remuneration			
Audit services		4,900	4,700
Accounting services		2,500	2,702
		<u>7,400</u>	<u>7,402</u>
4. Cash and Cash Equivalents			
Cash at Bank - National Australia Bank		183,588	47,279
Petty Cash		100	100
Total Cash and Cash Equivalents		<u>183,688</u>	<u>47,379</u>
5. Trade and Other Receivables			
Trade receivables			
- The Pharmacy Guild of Australia	14b	110,868	138,668
- Members		205	14,347
Provision for Doubtful Debts		(1,000)	(3,000)
Total Receivables		<u>110,073</u>	<u>150,015</u>
Age analysis of trade and other receivables that are past due but not impaired at the end of the reporting period.			
Neither past due nor impaired		110,048	143,265
Past due [30] days		25	6,750
Past due [30-45] days		-	-
Past due [45-60] days		-	-
Past due [>60] days		-	-
		<u>110,073</u>	<u>150,015</u>

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
5. Trade and Other Receivables (continued)			
Analysis of Allowance Account			
Opening Balance		3,000	3,000
Provisions for doubtful receivables		1,008	7,816
Receivables written off during the year		(1,008)	(7,816)
Reversal of allowance		(2,000)	-
Closing balance		<u>1,000</u>	<u>3,000</u>
6. Other Assets			
Prepayments		3,469	2,949
Accrued Revenue		-	1,008
Rental Deposit		5,042	5,042
Total Other Assets		<u>8,511</u>	<u>8,999</u>
7. Property and Equipment			
Property and Equipment at Cost		52,736	52,483
Less: Accumulated Depreciation		(33,971)	(29,961)
Total Property and Equipment		<u>18,765</u>	<u>22,522</u>
Reconciliation			
Carrying value at beginning of the year		22,522	5,649
Additions		253	21,658
Disposals		-	-
Depreciation		(4,010)	(4,785)
Carrying value at end of year		<u>18,765</u>	<u>22,522</u>
8. Trade and Other Payables			
Trade Creditors		1,556	3,415
GST Payable		5,720	3,708
PAYG Tax Payable		7,246	7,190
Superannuation Payable		-	-
Other Payables		-	6,146
Trade and Other Payables		<u>14,522</u>	<u>20,459</u>

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
9. Subscriptions in Advance			
Subscriptions in Advance - Premises		34,188	1,660
Subscriptions in Advance - Branches		-	-
Subscriptions in Advance - Proprietors		13,528	1,195
Total Subscriptions in Advance		<u>47,716</u>	<u>2,855</u>
10 Unearned Funding and Income			
Unearned Funding		14,667	
Unearned Income		37,813	
Total Unearned Funding and Income		<u>52,480</u>	<u>-</u>
11 Provision for Employee Entitlements			
Office Holders:			
Annual leave		-	-
Long service leave		-	-
Separation and redundancies		-	-
Others		-	-
Total employee provisions - office holders		<u>-</u>	<u>-</u>
Employee other than office holders			
Annual leave		20,627	12,995
Long service leave		11,255	18,169
Separation and redundancies		-	-
Others		-	-
Total employee provisions - employees other than office holders		<u>31,882</u>	<u>31,164</u>
Total Provision for Employee Entitlements		<u>31,882</u>	<u>31,164</u>
Current		27,135	31,164
Non-current		4,747	-
		<u>31,882</u>	<u>31,164</u>
12 Accumulated Funds			
Balance at the Beginning of the Financial Year		174,437	174,437
Total comprehensive income (loss) for the year		-	-
Balance at the End of the Financial Year		<u>174,437</u>	<u>174,437</u>

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
13 Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash flows is reconciled to the related items in the Statement of Financial Position as follows:			
(a) Reconciliation of cash and cash equivalents			
Cash at bank		183,588	47,279
Petty cash		100	100
Balance at the end of the year		<u>183,688</u>	<u>47,379</u>
(b) Reconciliation of profit from ordinary activities to net cash provided by operating activities			
Surplus from ordinary activities		-	-
Add / (less) non-cash items			
Depreciation		4,010	4,785
Reversal of allowance for doubtful accounts		<u>(2,000)</u>	<u>-</u>
Cash provided by operating activities before change in assets and liabilities		<u>2,010</u>	<u>4,785</u>
Change in assets and liabilities			
Decrease in trade and other receivables		41,942	23,023
(Increase) decrease in other assets		488	(6,050)
Decrease in trade and other payables		(5,937)	(11,454)
Increase in provisions		718	16,947
(Decrease) increase in subscriptions in advance		44,861	(19,787)
Increase in unearned funding		<u>52,480</u>	<u>-</u>
Net cash provided by operating activities		<u>136,562</u>	<u>7,464</u>

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

14 Related Party Disclosures

(a) Transactions with Related Parties

The following persons held positions on the Branch Committee of Management or National Council during the reporting period:

From 1 July 2013 to 30 June 2014

BRANCH EXECUTIVE

President and National Councillor Terry (Sotirios) Battalis

NT Senior Vice President Shelley Forester

Vice President - Finance & Alternate National Councillor Nunzio Meta

BRANCH COMMITTEE

Darryl Stewart

Maria Giacon

Adam Bennett

Bradley Coleman

Note	2014	2013
	\$	\$

(b) Balances with Related Parties

(i) Amounts Payable to Related Parties

Other Branches - Current

The Pharmacy Guild of Australia (National Secretariat)	179	1,304
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Outstanding payables are non interest bearing and are normally on a 30 days' term.

(ii) Amounts Receivable from Related Parties

Other Branches - Current

The Pharmacy Guild of Australia (National Secretariat)	108,868	138,668
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The Pharmacy Guild of Australia (SA Branch)	2,000	-
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Outstanding receivables are unsecured, interest free, settlement occurs in cash and generally have 30 days' term.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
14	Related Party Disclosures (continued)		
	The following transactions took place with related parties during the reporting period:		
	Other Branches		
	The Pharmacy Guild of Australia National Secretariat		
	- Membership Contributions paid by		
	Northern Territory Branch	40,046	39,675
	- Funding for Branch Support Subsidy	208,669	287,169
	- Funding for Quality Care Pharmacy Program	79,426	77,012
	- Funding for SCPA	-	61,360
	- Funding for Indigenous Health Project Manager Role	66,667	-
	 Gold Cross Products and Services Pty Ltd		
	- Commission paid to Northern Territory Branch for distribution of its material	5,549	15,339
	Miscellaneous income for promotion and coordination of projects and programs	-	17,372
	 Other Related Parties		
	Subsidiaries of The Pharmacy Guild of Australia		
	 Guild Insurance Company Ltd		
	- Commission received from Guild Insurance for business referred from Northern Territory members	7,201	3,436
	 There are no terms and conditions attached to the branch support subsidy received from the National Secretariat.		
	 (c) Key Management Personnel Compensation		
	Wages and Salaries	120,918	123,081
	Superannuation	13,608	13,819
	Leave and other entitlements	(6,740)	19,550
	Separation and redundancies	-	-
	Other employee expenses	-	-
	Total employee expenses - Key Management	127,786	156,450

Other Transactions with Key Management Personnel

There were no other transactions with Key Management Personnel.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
15 Employee Expenses			
Other Staff			
Wages and Salaries		180,012	169,161
Superannuation		21,140	18,564
Leave and other entitlements		7,461	(2,603)
Separation and redundancies		-	-
Other employee expenses		28,060	27,818
Total employee expenses - employees other than key management		<u>236,673</u>	<u>212,940</u>
Total employee expenses - Key Management	14(c)	<u>127,786</u>	<u>156,450</u>
Total employee expenses - Other Staff		<u><u>364,459</u></u>	<u><u>369,390</u></u>
16 Capital and Leasing Commitments			
(a) Lease commitments			
<i>Non-cancellable operating leases - future minimum lease payments</i>			
Within one year		62,860	60,500
Later than one year but not later than 5 years		141,435	196,625
Later than 5 years		-	-
		<u>204,295</u>	<u>257,125</u>
(b) Capital Expenditure Commitments			
Plant and equipment purchases		<u>-</u>	<u>-</u>

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

17 Compliance with Fair Work (Registered Organisations) Act 2009

Information to be provided to members or General Manager

The information that is prescribed by the *Fair Work (Registered Organisations) Act 2009* is available to members on request. Specifically subsections 272(1), (2) and (3) require the following:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

18 Contingent Liabilities

The Branch had no contingent liabilities as at 30 June 2014 (nil in 2013).

19 Events Subsequent to end of Reporting Date

No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results of operations and the state of affairs of the Branch in subsequent financial years.

The carrying amount of assets and liabilities as recorded in the financial statements and the realisation and settlement amounts of assets and liabilities have not changed materially since end of reporting date.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

20 Financial Risk Management

In common with all other businesses, the Branch is exposed to risks that arise from its use of financial instruments. This note describes the Branch's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Branch's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch hold the following financial instruments:

	2014	2013
	\$	\$
Financial assets		
Cash and cash equivalents	183,688	47,379
Trade and other receivables	110,073	150,015
	<u>293,761</u>	<u>197,394</u>
Financial liabilities		
Trade and other payables	14,522	20,459
Subscription in advance and unearned funding	47,716	2,855
	<u>62,238</u>	<u>23,314</u>

The Branch had no financial instruments that are carried at fair value as 30 June 2014 and 2013.

The Committee of Management have overall responsibility for the determination of risk management objectives and policies and, whilst retaining ultimate responsibility for them, they have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the management team. The Branch's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Branch where such impacts may be material. The Committee of Management receives monthly reports from management through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies set.

The overall objective of the Committee of Management is to set policies that seek to reduce risk as far as possible without unduly affecting the Branch's flexibility. Further details regarding these policies are set out below:

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

20 Financial Risk Management (continued)

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. Credit risk arises from cash assets and deposits with financial institutions, as well as credit exposures to the Branch's outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	2014	2013
	\$	\$
Cash and cash equivalents	183,588	47,279
Trade and other receivables	110,073	150,015
	<u>293,661</u>	<u>197,294</u>

(c) Liquidity risk

Vigilant liquidity risk management requires the Branch to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Branch manages liquidity risk by maintaining adequate cash reserves by continually monitoring actual forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity Analysis - 2014

Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-interest bearing						
Trade and other payables	14,522	14,522	14,522	-	-	-
Subscription in advance	47,716	47,716	47,716	-	-	-
Unearned funding	52,480	52,480	52,480	-	-	-
TOTAL	<u>114,718</u>	<u>114,718</u>	<u>114,718</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-derivatives						
Trade receivables	110,073	110,073	110,073	-	-	-
TOTAL	<u>110,073</u>	<u>110,073</u>	<u>110,073</u>	<u>-</u>	<u>-</u>	<u>-</u>

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

20 Financial Risk Management (continued)

Maturity Analysis - 2013

Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-interest bearing						
Trade and other payables	20,459	20,459	20,459	-	-	-
Subscription in advance	2,855	2,855	2,855	-	-	-
TOTAL	23,314	23,314	23,314	-	-	-

Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-derivatives						
Trade receivables	150,015	150,015	150,015	-	-	-
TOTAL	150,015	150,015	150,015	-	-	-

**THE PHARMACY GUILD OF AUSTRALIA
(NORTHERN TERRITORY BRANCH)**

OPERATING REPORT

I, Terry (Sotirios) Battalis, being the designated officer responsible for preparing this report for the financial year ended 30 June 2014 of The Pharmacy Guild of Australia (Northern Territory Branch), report as follows:

(a) Principal Activities:

- (i) The Pharmacy Guild of Australia (Northern Territory Branch) is an employers' organisation servicing the needs of proprietors of independent community pharmacies and representing their interests in industrial matters.
- (ii) The Pharmacy Guild of Australia Northern Territory Branch assists the National Council and the National Executive of The Pharmacy Guild of Australia ("the Guild") in carrying out the overall policy and objectives of the Guild.
- (iii) During the year, the principal activities of The Pharmacy Guild of Australia (Northern Territory Branch), consisted of representing the interest of its members to maintain community pharmacies as the most primary providers of healthcare to the community through optimum therapeutic use of drugs, drug management and related services. There were no significant changes in the nature of these activities during the year under review.

(b) Significant financial changes:

there have been no significant changes in The Pharmacy Guild of Australia (Northern Territory Branch) financial affairs during the period to which this report relates.

(c) Members' Advice:

- (i) Under Section 174 of the Fair Work (Registered Organisations) Act 2009 a member may resign from membership by written notice addressed and delivered to the Branch Director as described in Rule 36 of the Constitution of The Pharmacy Guild of Australia;
- (ii) The register of members of the organisation was maintained in accordance with the Fair Work (Organisations) Act 2009.

(d) No officer of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme.

(e) Prescribed and other information:

- (i) As at 30 June 2014, to which this report relates, the number of members of the organisation was 15 (fifteen) including Honorary Life Members;
- (ii) As at 30 June 2014 the total number of employees employed by the reporting entity was six;
- (iii) During the reporting period the following persons were members of the committee of management of The Pharmacy Guild of Australia Northern Territory Branch:

From 1 July 2013 to 30 June 2014

BRANCH EXECUTIVE

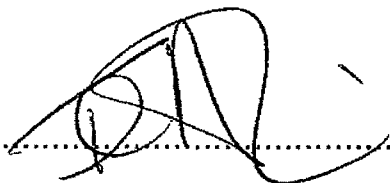
NT President & National Councillor	Terry (Sotirios) Battalis
NT Senior Vice President	Shelley Forester
NT Vice President – Finance & Aiternate National Councillor	Nunzio Meta

BRANCH COMMITTEE

Adam Bennett
Bradley Coleman
Maria Giacon
Darryl Stewart

(f) Insurance of Officers:

During the financial year The Pharmacy Guild of Australia (Northern Territory Branch) paid insurance to cover all officers of The Pharmacy Guild of Australia (Northern Territory Branch). The officers of The Pharmacy Guild of Australia (Northern Territory Branch) covered by the insurance policy include all the committee of management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia (Northern Territory Branch). The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of The Pharmacy Guild of Australia (Northern Territory Branch).



Terry (Sotirios) Battalis

Date: 18th August 2014



1 October 2014

Terry Battalis
Branch President
Pharmacy Guild of Australia, Northern Territory Branch
GPO Box 1554
Darwin NT 0801

via e-mail: office@ntguild.org.au

Dear Mr Battalis

**Pharmacy Guild of Australia, Northern Territory Branch
Financial Report for the year ended 30 June 2014 - FR2014/116**

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Pharmacy Guild of Australia, Northern Territory Branch (PGA-NT). The financial report was lodged with the Fair Work Commission (FWC) on 24 September 2014.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The Committee of Management Statement, General Purpose Financial Report (GPFR) and Auditor's Statement will require amendments. The amended report will need to be presented to a General Meeting of members, republished on the PGA-NT website and lodged with FWC.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

A 'Model Financial Statements' is also available on the FWC website to assist organisations in preparing returns.

1. Committee of Management Statement

Reference to Fair Work Australia

I note that point (b) refers to 'Fair Work Australia'. Following the enactment of the *Fair Work Amendment Act 2012*, Fair Work Australia was renamed Fair Work Commission with effect from 1 January 2013. The reference to Fair Work Australia must be changed to Fair Work Commission.

Please amend the Committee of Management Statement accordingly and resubmit to FWC.

2. General Purpose Financial Report

For-profit or not-for profit entity

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 8(b) requires that the entity disclose whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.

This information has not been provided.

Key management personnel

Note 14(c) to the financial statements currently presents employee expenses for all PGA-NT employees. Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 9 defines Key management personnel as "...those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity."

The employee expenses at Note 14(c) should be presented in a separate note to the financial statements entitled 'Employee expenses'. Note 14(c) should then disclose key management personnel only as per Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17. This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Accounting Policy - fair value

Australian Accounting Standard *AASB 13 Fair Value Measurement* paragraph 91 requires the reporting unit to disclose the accounting policy for assets and liabilities that are measured at fair value on a recurring or non-recurring basis.

This information has not been provided.

Activities under Reporting Guidelines not disclosed

Items 13 and 21 of the RG state that if the activities identified in items 10, 11 and 20 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 10 - going concern financial support received from another reporting unit
- 11 - going concern financial support provided to another reporting unit
- 20(a) - payables to employers as consideration for the employers making payroll deductions of membership subscriptions
- 20(b) - payables in respect of legal costs and other expenses related to litigation or other legal matters

3. Auditor's Statement

Auditor's qualifications

Regulation 4 of the RO Regulations provides the definition of an approved auditor. Item 38 of the Reporting Guidelines requires that in the Auditor's Statement, the auditor must declare they are either an approved auditor or the auditor is a member of a firm where at least one member is an approved auditor and must specify that the auditor is a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the Institute of Public Accountants, and holds a current Public Practice Certificate.

I note that not all this information has been included in the Auditor's Statement.

The Auditor's Statement will need to be amended and reissued to the Members and the FWC.

References to Schedule 1B

The Auditor's Statement opinion refers to "...the RAO Schedule." which is a reference to the *Workplace Relations Act 1996*. The reference should be to the *Fair Work (Registered Organisations) Act 2009*.

Could you arrange for the auditor to amend the Auditor's Statement accordingly and reissue the report to the Members and the FWC.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely



Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch